



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

William J. Murphy, Esquire
Conor B. O'Croinin, Esquire
Murphy & Shaffer LLC
36 South Charles Street
Suite 1400
Baltimore, Maryland 21201-3109

APR 28 2010

RE: MUR 6223
Edward St. John, *et al.*

Dear Messrs. Murphy and O'Croinin:

On October 26, 2009, the Federal Election Commission notified your clients, Edward St. John, St. John Properties, Inc., Lawrence Maykrantz, Robert Becker, Jeffrey Gish, Stanley Meros, H. Richard Williamson, and Gerard Wit of a complaint alleging violations of certain sections of the Federal Election Campaign Act of 1971, as amended ("the Act"). A copy of the complaint was forwarded to your clients at that time.

Upon further review of the allegations contained in the complaint, and information supplied by your clients, the Commission, on April 13, 2010, found that there is reason to believe Edward St. John, St. John Properties, Inc., Lawrence Maykrantz, Robert Becker, Jeffrey Gish, Stanley Meros, H. Richard Williamson, and Gerard Wit violated 2 U.S.C. §§ 441b(a) and 441f, provisions of the Act. The Factual and Legal Analyses, which formed a basis for the Commission's findings, are attached for your information.

You may submit any actual or legal materials that you believe are relevant to the Commission's consideration of this matter. Please submit such materials to the General Counsel's Office within 15 days of receipt of this letter. Where appropriate, statements should be submitted under oath. In the absence of additional information, the Commission may find probable cause to believe that violations have occurred and proceed with enforcement.

If you are interested in pursuing pre-probable cause conciliation, you should so request in writing. See 11 C.F.R. § 111.18(d). Upon receipt of the request, the Office of the General Counsel will make recommendations to the Commission either proposing an agreement in settlement of the matter or recommending declining that pre-probable cause conciliation be pursued. The Office of the General Counsel may recommend that pre-probable cause conciliation not be entered into at this time so that it may complete its investigation of the matter. Further, the Commission will not entertain requests for pre-probable cause conciliation after briefs on probable cause have been mailed to the respondent.

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Requests for extensions of time will not be routinely granted. Requests must be made in writing at least five days prior to the due date of the response and specific good cause must be demonstrated. In addition, the Office of the General Counsel ordinarily will not give extensions beyond 20 days.

This matter will remain confidential in accordance with 2 U.S.C. §§ 437g(a)(4)(B) and 437g(a)(12)(A) unless you notify the Commission in writing that your clients wish the matter to be made public.

If you have any questions, please contact Kamau Philbert or Margaret Ritzert, the attorneys assigned to this matter, at (202) 694-1650.

On behalf of the Commission,



Matthew S. Petersen
Chairman

Enclosures
Factual and Legal Analyses

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FEDERAL ELECTION COMMISSION

FACTUAL AND LEGAL ANALYSIS

**RESPONDENTS: Edward St. John
St. John Properties, Inc.**

MUR: 6223

I. INTRODUCTION

This matter was generated by a complaint filed by Melanie Sloan, Ann Weismann, and Citizens for Responsibility and Ethics in Washington. See 2 U.S.C. § 437(g)(a)(1). The available information indicates that Edward St. John consented to reimbursing the contributions of six St. John Properties, Inc. ("SJPI") Senior Vice Presidents using corporate funds. The reimbursements involved six individual \$10,000 contributions the Vice Presidents made to the Maryland Republican State Central Committee.

II. FACTUAL AND LEGAL ANALYSIS

The Federal Election Campaign Act of 1971, as amended ("the Act"), prohibits corporations from making contributions from their general treasury funds in connection with any election of any candidate for federal office. 2 U.S.C. § 441b(a). It is also unlawful for any officer or director of any corporation to consent to any contribution by the corporation. *Id.*

The Act also prohibits a person from making a contribution in the name of another person, knowingly permitting his name to be used to effect such a contribution, or knowingly accepting a contribution made by one person in the name of another. 2 U.S.C. § 441f. The Commission's regulations further prohibit knowingly helping or assisting any person in making a contribution in the name of another. 11 C.F.R. § 110.4(b)(1)(iii). Those regulations specifically explain that attributing a contribution to one person, when another person is the actual source of the funds used for the contribution, is an example of making a contribution in the name of another. See 11 C.F.R. § 110.4(b)(2)(ii).

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A. Factual Background

Edward St. John is the president and principal owner of SJPI, a privately-held real estate development company based in Maryland. SJPI Response at 4. Commission records show that Mr. St. John is an experienced political contributor, having made over \$150,000 in contributions to federal candidates and committees between 2000 and 2006, some of which were at the maximum legal contribution limit to those committees at the time. SJPI is also affiliated with, and may effectively control, several limited liability companies and partnerships, including Riverside Technology Park LLC and BWI Technology LLC. SJPI Response at 4-5. SJPI's Controller, Lori H. Rice, routinely monitored and recorded the political contributions of the company's executives and affiliated companies to avoid exceeding state or federal contribution limits. Ms. Rice Affidavit ¶ 5.

During the 2006 election cycle, Mr. St. John recruited SJPI's senior officers to make political contributions in support of Michael Steele's campaign for U.S. Senate. SJPI Response at 6-7. SJPI's six Senior Vice Presidents - Lawrence Maykrantz, Robert Becker, Jeffrey Gish, Stanley Meros, H. Richard Williamson, and Gerard Wit ("the Vice Presidents") - responded with contributions. On December 30, 2005, SJPI affiliates, Riverside Technology Park LLC and BWI Technology LLC, each made a \$2,500 contribution to Steele for Maryland, Inc. ("the Steele Committee") that were apportioned between primary and general elections. SJPI Response at 5. Pursuant to the Commission's regulations for LLC contributions, the Steele Committee also attributed the LLC contributions to eight specified members - Mr. St. John, the Vice Presidents, and an additional SJPI senior executive. See 11 C.F.R. § 110.1(g). Accordingly, two primary election contributions in the amount of \$262.50 and two general election contributions in the

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1 amount of \$50 were attributed to each of eight individual members. It does not appear that any
2 of the LLC contributions were reimbursed.

3 In October 2006, the Vice Presidents each made individual \$10,000 contributions to the
4 Maryland Republican State Central Committee ("MRSCC").¹ In February 2007, Mr. St. John
5 directed SJPI's Controller to include each of the Vice Presidents' \$10,000 contributions to
6 MRSCC as a factor in calculating their year-end bonuses. The total bonuses were then "grossed
7 up" to account for appropriate state and federal income taxes. Each of the Vice Presidents repaid
8 to SJPI the reimbursements of their \$10,000 MRSCC contributions in November 2007 during a
9 pending investigation by Maryland State Prosecutor's Office regarding contributions that SJPI-
10 affiliated companies made to state and local candidates. SJPI's Response at 9-10.

11 B. Analysis

12 The available information shows that Mr. St. John admittedly directed the
13 reimbursements. Mr. St. John recruited the senior executives to make their \$10,000 MRSCC
14 contributions with the expectation of reimbursement.² He appears to have directed SJPI's
15 Controller, Ms. Rice, to record the contributions and then directed her to reimburse the
16 contributions with SJPI funds through each Vice President's 2007 year-end bonus. While all of
17 the Vice Presidents were prior political contributors, none had made a prior contribution greater
18 than \$2,000, with most ranging between \$250 and \$1,000. The fact that the reimbursements

¹ Commission records show that Mr. St. John also made a similar \$10,000 contribution to MRSCC that was addressed neither in the complaint nor in the SJPI joint response.

² The complaint was based on evidence of similar reimbursements cited in a Maryland State Prosecutor's press release of a settlement with Mr. St. John for reimbursing the officers' contributions to a state and a local candidate with SJPI's funds. In the settlement that was publicized on June 13, 2008, Mr. St. John admitted to civil violations for the reimbursements, agreed to pay a \$36,000 fine, and donated another \$55,000 to a charitable organization. The Maryland State Prosecutor's press release specifically concluded that the Vice Presidents fully expected reimbursement of their state campaign contributions.

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1 were made several months after the contributions does not undermine that the contributions
2 were, in fact, reimbursed.³ Further, that the reimbursements were repaid to the company by the
3 Vice Presidents does not negate the violations, particularly in this instance where the repayments
4 were influenced by an impending state investigation. Reversing the transaction is akin to
5 returning an illegal contribution; while it does constitute mitigating corrective action, it does not
6 erase the violation.⁴ As a result of the reimbursements, SJPI became the true source of each Vice
7 President's MRSCC contribution, and Mr. St. John consented to the reimbursements and helped
8 or assisted in making contributions in the name of another, in violation of sections 441b(a) and
9 441f of the Act.

10 In sum, the available information indicates that Mr. St. John and SJPI made the
11 reimbursements. Therefore, there is reason to believe Mr. St. John and St. John Properties, Inc.
12 violated 2 U.S.C. §§ 441b(a) and 441f.

13 **C. Possible Knowing and Willful Violations**

14 The Act addresses violations of law that are knowing and willful. See 2 U.S.C.
15 §§ 437g(a)(5)(B) and 437g(d). The knowing and willful standard requires knowledge that one is
16 violating the law. *Federal Election Commission v. John A. Drumm for Congress Committee*,
17 640 F. Supp. 985, 987 (D. N.J. 1986). A knowing and willful violation may be established "by
18 proof that the defendant acted deliberately and with knowledge that the representation was
19

³ The Commission has previously found violations of 2 U.S.C. §§ 441b(a) and 441f where employees' contributions were later reimbursed through year-end company bonuses. See, e.g., MUR 5357 (Centex Corporation) Commission Certification dated September 12, 2003 (Commission found reason to believe and later conciliated violations in which the company and its CEO violated §§ 441b(a) and 441f where employees sent copies of contribution checks to company officers, and their contributions were reimbursed in year-end bonuses).

⁴ See, e.g., MUR 5643 (Carter's, Inc) Commission Certification dated January 25, 2005 (Commission found reason to believe as to corporation and corporate officer who reimbursed contributions with corporate funds though the conduits had repaid the reimbursements prior to the company filing a *sua sponte* submission); MUR 5357 (Centex Corporation) Commission Certification dated September 12, 2003 (same).

1 false." *United States v. Hopkins*, 916 F.2d 207, 214 (5th Cir. 1990). Evidence does not have to
2 show that the defendant had a specific knowledge of the regulations; an inference of a knowing
3 and willful act may be drawn from the defendant's scheme to disguise the source of funds used
4 in illegal activities. *Id.* at 213-15.

5 The information presented raises the question of whether Mr. St. John and SJPI
6 reimbursed contributions in knowing and willful violation of the law. Mr. St. John is an
7 experienced political contributor. The level and extent of Mr. St. John's prior contributions
8 (some of which were at the lawful maximum limits), and the fact that the Vice-Presidents'
9 \$10,000 contributions were all at the maximum legal limit to a state party committee, suggest
10 that Mr. St. John (and SJPI) had specific knowledge of the Act's contribution limits. In addition,
11 though two SJPI affiliate LLCs made contributions (to the Steele Committee), it does not appear
12 that SJPI attempted to make any contributions directly with corporate funds, indicating at least
13 some level of awareness of the prohibitions on corporate contributions. The fact that the
14 reimbursements were not publicly identified as such, but were labeled only as being part of
15 bonuses, could be viewed as an attempt to conceal the fact that reimbursements had been made.
16 Accordingly, there is information in the current record which could be viewed as suggesting that
17 the violations were knowing and willful, and an investigation is needed to resolve this issue.

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FEDERAL ELECTION COMMISSION

FACTUAL AND LEGAL ANALYSIS

RESPONDENT: Lawrence Maykrantz

MUR: 6223

I. INTRODUCTION

This matter was generated by a complaint filed by Melanie Sloan, Ann Weismann, and Citizens for Responsibility and Ethics in Washington. See 2 U.S.C. § 437(g)(a)(1). The available information indicates that Lawrence Maykrantz permitted his name to be used to make corporate contributions in the name of another and consented to the making of corporate contributions. Specifically, Lawrence Maykrantz received reimbursement (through his year end bonus) of the \$10,000 contribution he made to the Maryland Republican State Central Committee ("MRSCC").

II. FACTUAL AND LEGAL ANALYSIS

The Federal Election Campaign Act of 1971, as amended ("the Act"), prohibits corporations from making contributions from their general treasury funds in connection with any election of any candidate for federal office. 2 U.S.C. § 441b(a). It is also unlawful for any officer or director of any corporation to consent to any contribution by the corporation. *Id.*

The Act also prohibits a person from making a contribution in the name of another person, and from knowingly permitting his name to be used to effect such a contribution. 2 U.S.C. § 441f. The Commission's regulations specifically explain that attributing a contribution to one person, when another person is the actual source of the funds used for the contribution, is an example of making a contribution in the name of another. See 11 C.F.R. § 110.4(b)(2)(ii).

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1 Lawrence Maykrantz is a Senior Vice President of St. John Properties, Inc., ("SJPI") a
2 privately-held real estate development company based in Maryland. SJPI Response at 4. During
3 the 2006 election cycle, Edward St. John, president and principal owner of SJPI, recruited
4 Lawrence Maykrantz and other senior executives to make political contributions in support of
5 Michael Steele's campaign for U.S. Senate. SJPI Response at 6-7. SJPI's Controller, Lori H.
6 Rice, routinely monitored and recorded the political contributions of SJPI's senior executives
7 and affiliated companies to avoid exceeding state or federal contribution limits. Ms. Rice
8 Affidavit ¶ 5.

9 In October 2006, Lawrence Maykrantz made a \$10,000 contribution to the MRSCC along
10 with other senior executives in response to Mr. St. John's requests. SJPI Response at 6-7. In
11 February 2007, Mr. St. John directed Ms. Rice, to include Lawrence Maykrantz's \$10,000
12 contribution to MRSCC, as a factor in calculating his year-end bonus. The total bonus was then
13 "grossed up" to account for appropriate state and federal income taxes. Lawrence Maykrantz
14 repaid to SJPI the reimbursements of his \$10,000 MRSCC contribution in November 2007
15 during a pending investigation by the Maryland State Prosecutor's Office regarding contributions
16 SJPI-affiliated companies made to Maryland state and local candidates. SJPI's Response at 9-
17 10.

18 Lawrence Maykrantz was reimbursed for his \$10,000 contribution to MRSCC, and the
19 available information suggests that he expected the reimbursement.¹ While Lawrence Maykrantz
20 and other senior Vice Presidents contributors were prior political contributors, none had made a
21 prior federal contribution greater than \$2,000, with most ranging between \$250 and \$1,000.

¹ Lawrence Maykrantz and other senior Vice Presidents were also reimbursed with corporate funds for contributions they made to a state and a local candidate. In a civil settlement with Mr. St. John that was publicized in a press release on June 13, 2008, Maryland State Prosecutor's specifically concluded that the SJPI senior Vice President contributors fully expected reimbursement of their state campaign contributions.

1 Furthermore, the fact that the reimbursement was made several months after the contribution
2 does not undermine that the contribution was, in fact, reimbursed.² Finally, that the
3 reimbursement was repaid to the company by Lawrence Maykrantz does not negate the violation,
4 particularly in this instance where the repayment was influenced by an impending state
5 investigation. Reversing the transaction is akin to returning an illegal contribution; while it does
6 constitute mitigating corrective action, it does not erase the violation.³ As a result of the
7 reimbursements, SJPI became the true source of Lawrence Maykrantz's MRSCC contribution,
8 and Lawrence Maykrantz knowingly permitted his name to be used to effect a contribution in the
9 name of another, in violation of section 441f of the Act.

10 Based on his corporate position, Lawrence Maykrantz is a senior officer of SJPI.
11 Lawrence Maykrantz also has a prior history of making political contributions. By accepting
12 reimbursement from SJPI for his \$10,000 contribution, Lawrence Maykrantz consented to the
13 making of a corporate contribution through the reimbursement in violation of 2 U.S.C.
14 §§ 441b(a). See MUR 5818 (Fieger) (Commission found probable cause to believe that a partner
15 who was Secretary/Treasurer of a law firm violated §§ 441b(a) and 441f) Commission
16 Certification dated August 26, 2009; see also MUR 5765 (Crop Production Services, Inc.)
17 (Commission found reason to believe that a Vice President, three managers, and two of their

² The Commission has previously found violations of 2 U.S.C. §§ 441b(a) and 441f where employees' contributions were later reimbursed through year-end company bonuses. See, e.g., MUR 5357 (Centex Corporation) Commission Certification dated September 12, 2003 (Commission found reason to believe and later conciliated violations in which the company and its CEO violated §§ 441b(a) and 441f where employees sent copies of contribution checks to company officers, and their contributions were reimbursed in year-end bonuses).

³ See, e.g., MUR 5643 (Carter's, Inc) Commission Certification dated January 26, 2005 (Commission found reason to believe as to corporation and corporate officer who reimbursed contributions with corporate funds though the conduits had repaid the reimbursements prior to the company filing a *zua sports* submission); MUR 5357 (Centex Corporation) Commission Certification dated September 12, 2003 (same).

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1 spouses violated § 441f as conduits, and conciliated with the Vice President and managers but
2 took no further action regarding the spouses).

3 Therefore, there is reason to believe that Lawrence Maykrantz violated 2 U.S.C.

4 §§ 441b(a) and 441f.⁴

⁴ On December 30, 2005, Lawrence Maykrantz also made a total of \$613 in the form of two contributions of \$312.50 in contributions to Steele for Maryland, Inc. that were attributed to him as a partner of two SJPI affiliates - Riverside Technology Park LLC and BWI Technology LLC. However, those contributions were made with funds from the respective partnerships and do not appear to have been reimbursed.

1 **FEDERAL ELECTION COMMISSION**

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3 **FACTUAL AND LEGAL ANALYSIS**

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5 **RESPONDENT: Robert Becker**

MUR: 6223

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8 **I. INTRODUCTION**

9 This matter was generated by a complaint filed by Melanie Sloan, Ann Weismann, and
10 Citizens for Responsibility and Ethics in Washington. See 2 U.S.C. § 437(g)(a)(1). The
11 available information indicates that Robert Becker permitted his name to be used to make
12 corporate contributions in the name of another and consented to the making of corporate
13 contributions. Specifically, Robert Becker received reimbursement (through his year end bonus)
14 of the \$10,000 contribution he made to the Maryland Republican State Central Committee
15 ("MRSCC").

16 **II. FACTUAL AND LEGAL ANALYSIS**

17 The Federal Election Campaign Act of 1971, as amended ("the Act"), prohibits
18 corporations from making contributions from their general treasury funds in connection with any
19 election of any candidate for federal office. 2 U.S.C. § 441b(a). It is also unlawful for any
20 officer or director of any corporation to consent to any contribution by the corporation. *Id.*

21 The Act also prohibits a person from making a contribution in the name of another
22 person, and from knowingly permitting his name to be used to effect such a contribution.
23 2 U.S.C. § 441f. The Commission's regulations specifically explain that attributing a
24 contribution to one person, when another person is the actual source of the funds used for the
25 contribution, is an example of making a contribution in the name of another. See 11 C.F.R.
26 § 110.4(b)(2)(ii).

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1 Robert Becker is a Senior Vice President of St. John Properties, Inc., ("SJPI") a privately-
2 held real estate development company based in Maryland. SJPI Response at 4. During the 2006
3 election cycle, Edward St. John, president and principal owner of SJPI, recruited Robert Becker
4 and other senior executives to make political contributions in support of Michael Steele's
5 campaign for U.S. Senate. SJPI Response at 6-7. SJPI's Controller, Lori H. Rice, routinely
6 monitored and recorded the political contributions of SJPI's senior executives and affiliated
7 companies to avoid exceeding state or federal contribution limits. Ms. Rice Affidavit ¶ 5.

8 In October 2006, Robert Becker made a \$10,000 contribution to the MRSCC along with
9 other senior executives in response to Mr. St. John's requests. SJPI Response at 6-7. In
10 February 2007, Mr. St. John directed Ms. Rice, to include Robert Becker's \$10,000 contribution
11 to MRSCC, as a factor in calculating his year-end bonus. The total bonus was then "grossed up"
12 to account for appropriate state and federal income taxes. Robert Becker repaid to SJPI the
13 reimbursements of his \$10,000 MRSCC contribution in November 2007 during a pending
14 investigation by the Maryland State Prosecutor's Office regarding contributions SJPI-affiliated
15 companies made to Maryland state and local candidates. SJPI's Response at 9-10.

16 Robert Becker was reimbursed for his \$10,000 contribution to MRSCC, and the available
17 information suggests that he expected the reimbursement.¹ While Robert Becker and other
18 senior Vice Presidents contributors were prior political contributors, none had made a prior
19 federal contribution greater than \$2,000, with most ranging between \$250 and \$1,000.
20 Furthermore, the fact that the reimbursement was made several months after the contribution

¹ Robert Becker and other senior Vice Presidents were also reimbursed with corporate funds for contributions they made to a state and a local candidate. In a civil settlement with Mr. St. John that was publicized in a press release on June 13, 2008, Maryland State Prosecutor's specifically concluded that the SJPI senior Vice President contributors fully expected reimbursement of their state campaign contributions.

1 does not undermine that the contribution was, in fact, reimbursed.² Finally, that the
2 reimbursement was repaid to the company by Robert Becker does not negate the violation,
3 particularly in this instance where the repayment was influenced by an impending state
4 investigation. Reversing the transaction is akin to returning an illegal contribution; while it does
5 constitute mitigating corrective action, it does not erase the violation.³ As a result of the
6 reimbursements, SJPI became the true source of Robert Becker's MRSCC contribution, and
7 Robert Becker knowingly permitted his name to be used to effect a contribution in the name of
8 another, in violation of section 441f of the Act.

9 Based on his corporate position, Robert Becker is a senior officer of SJPI. Robert Becker
10 also has a prior history of making political contributions. By accepting reimbursement from
11 SJPI for his \$10,000 contribution, Robert Becker consented to the making of a corporate
12 contribution through the reimbursement in violation of 2 U.S.C. §§ 441b(a). *See* MUR 5818
13 (Fieger) (Commission found probable cause to believe that a partner who was
14 Secretary/Treasurer of a law firm violated §§ 441b(a) and 441f) Commission Certification dated
15 August 26, 2009; *see also* MUR 5765 (Crop Production Services, Inc.) (Commission found
16 reason to believe that a Vice President, three managers, and two of their spouses violated § 441f
17 as conduits, and conciliated with the Vice President and managers but took no further action
18 regarding the spouses).

² The Commission has previously found violations of 2 U.S.C. §§ 441b(a) and 441f where employees' contributions were later reimbursed through year-end company bonuses. *See, e.g.,* MUR 5357 (Centex Corporation) Commission Certification dated September 12, 2003 (Commission found reason to believe and later conciliated violations in which the company and its CBO violated §§ 441b(a) and 441f where employees sent copies of contribution checks to company officers, and their contributions were reimbursed in year-end bonuses).

³ *See, e.g.,* MUR 5643 (Carter's, Inc) Commission Certification dated January 25, 2005 (Commission found reason to believe as to corporation and corporate officer who reimbursed contributions with corporate funds through the conduits had repaid the reimbursements prior to the company filing a *sua sponte* submission); MUR 5357 (Centex Corporation) Commission Certification dated September 12, 2003 (*same*).

1 Therefore, there is reason to believe that Robert Becker violated 2 U.S.C. §§ 441b(a) and
2 441f.⁴

⁴ On December 30, 2005, Robert Becker also made a total of \$613 in the form of two contributions of \$312.50 in contributions to Steele for Maryland, Inc. that were attributed to him as a partner of two SJPI affiliates - Riverside Technology Park LLC and BWI Technology LLC. However, those contributions were made with funds from the respective partnerships and do not appear to have been reimbursed.

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FEDERAL ELECTION COMMISSION

FACTUAL AND LEGAL ANALYSIS

RESPONDENT: Jeffrey Gish

MUR: 6223

I. INTRODUCTION

This matter was generated by a complaint filed by Melanie Sloan, Ann Weismann, and Citizens for Responsibility and Ethics in Washington. See 2 U.S.C. § 437(g)(a)(1). The available information indicates that Jeffrey Gish permitted his name to be used to make corporate contributions in the name of another and consented to the making of corporate contributions. Specifically, Jeffrey Gish received reimbursement (through his year end bonus) of the \$10,000 contribution he made to the Maryland Republican State Central Committee ("MRSCC").

II. FACTUAL AND LEGAL ANALYSIS

The Federal Election Campaign Act of 1971, as amended ("the Act"), prohibits corporations from making contributions from their general treasury funds in connection with any election of any candidate for federal office. 2 U.S.C. § 441b(a). It is also unlawful for any officer or director of any corporation to consent to any contribution by the corporation. *Id.*

The Act also prohibits a person from making a contribution in the name of another person, and from knowingly permitting his name to be used to effect such a contribution. 2 U.S.C. § 441f. The Commission's regulations specifically explain that attributing a contribution to one person, when another person is the actual source of the funds used for the contribution, is an example of making a contribution in the name of another. See 11 C.F.R. § 110.4(b)(2)(ii).

Jeffrey Gish is a Senior Vice President of St. John Properties, Inc., ("SJPI") a privately-held real estate development company based in Maryland. SJPI Response at 4. During the 2006

1 election cycle, Edward St. John, president and principal owner of SJPI, recruited Jeffrey Gish
2 and other senior executives to make political contributions in support of Michael Steele's
3 campaign for U.S. Senate. SJPI Response at 6-7. SJPI's Controller, Lori H. Rice, routinely
4 monitored and recorded the political contributions of SJPI's senior executives and affiliated
5 companies to avoid exceeding state or federal contribution limits. Ms. Rice Affidavit ¶ 5.

6 In October 2006, Jeffrey Gish made a \$10,000 contribution to the MRSCC along with
7 other senior executives in response to Mr. St. John's requests. SJPI Response at 6-7. In
8 February 2007, Mr. St. John directed Ms. Rice, to include Jeffrey Gish's \$10,000 contribution to
9 MRSCC, as a factor in calculating his year-end bonus. The total bonus was then "grossed up" to
10 account for appropriate state and federal income taxes. Jeffrey Gish repaid to SJPI the
11 reimbursements of his \$10,000 MRSCC contribution in November 2007 during a pending
12 investigation by the Maryland State Prosecutor's Office regarding contributions SJPI-affiliated
13 companies made to Maryland state and local candidates. SJPI's Response at 9-10.

14 Jeffrey Gish was reimbursed for his \$10,000 contribution to MRSCC, and the available
15 information suggests that he expected the reimbursement.¹ While Jeffrey Gish and other senior
16 Vice Presidents contributors were prior political contributors, none had made a prior federal
17 contribution greater than \$2,000, with most ranging between \$250 and \$1,000. Furthermore, the
18 fact that the reimbursement was made several months after the contribution does not undermine

¹ Jeffrey Gish and other senior Vice Presidents were also reimbursed with corporate funds for contributions they made to a state and a local candidate. In a civil settlement with Mr. St. John that was publicized in a press release on June 13, 2008, Maryland State Prosecutor's specifically concluded that the SJPI senior Vice President contributors fully expected reimbursement of their state campaign contributions.

1 that the contribution was, in fact, reimbursed.² Finally, that the reimbursement was repaid to the
2 company by Jeffrey Gish does not negate the violation, particularly in this instance where the
3 repayment was influenced by an impending state investigation. Reversing the transaction is akin
4 to returning an illegal contribution; while it does constitute mitigating corrective action, it does
5 not erase the violation.³ As a result of the reimbursements, SJPI became the true source of
6 Jeffrey Gish's MR&CC contribution, and Jeffrey Gish knowingly permitted his name to be used
7 to effect a contribution in the name of another, in violation of section 441f of the Ast.

8 Based on his corporate position, Jeffrey Gish is a senior officer of SJPI. Jeffrey Gish also
9 has a prior history of making political contributions. By accepting reimbursement from SJPI for
10 his \$10,000 contribution, Jeffrey Gish consented to the making of a corporate contribution
11 through the reimbursement in violation of 2 U.S.C. §§ 441b(a). See MUR 5818 (Fieger)
12 (Commission found probable cause to believe that a partner who was Secretary/Treasurer of a
13 law firm violated §§ 441b(a) and 441f) Commission Certification dated August 26, 2009; see
14 also MUR 5765 (Crop Production Services, Inc.) (Commission found reason to believe that a
15 Vice President, three managers, and two of their spouses violated § 441f as conduits, and
16 conciliated with the Vice President and managers but took no further action regarding the
17 spouses).

² The Commission has previously found violations of 2 U.S.C. §§ 441b(a) and 441f where employees' contributions were later reimbursed through year-end company bonuses. See, e.g., MUR 5357 (Centex Corporation) Commission Certification dated September 12, 2003 (Commission found reason to believe and later conciliated violations in which the company and its CEO violated §§ 441b(a) and 441f where employees sent copies of contribution checks to company officers, and their contributions were reimbursed in year-end bonuses).

³ See, e.g., MUR 5643 (Cantor's, Inc) Commission Certification dated January 25, 2006 (Commission found reason to believe as to corporation and corporate officer who reimbursed contributions with corporate funds though the conduits had repaid the reimbursements prior to the company filing a *sua sponte* submission); MUR 5357 (Centex Corporation) Commission Certification dated September 12, 2003 (same).

1 Therefore, there is reason to believe that Jeffrey Gish violated 2 U.S.C. §§ 441b(a) and
2 441f.⁴

⁴ On December 30, 2005, Jeffrey Gish also made a total of \$613 in the form of two contributions of \$312.50 in contributions to Steele for Maryland, Inc. that were attributed to him as a partner of two SJPI affiliates - Riverside Technology Park LLC and BWI Technology LLC. However, those contributions were made with funds from the respective partnerships and do not appear to have been reimbursed.

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FEDERAL ELECTION COMMISSION

FACTUAL AND LEGAL ANALYSIS

RESPONDENT: Stanley Meros

MUR: 6223

I. INTRODUCTION

This matter was generated by a complaint filed by Melanie Sloan, Ann Weismann, and Citizens for Responsibility and Ethics in Washington. See 2 U.S.C. § 437(g)(a)(1). The available information indicates that Stanley Meros permitted his name to be used to make corporate contributions in the name of another and consented to the making of corporate contributions. Specifically, Stanley Meros received reimbursement (through his year end bonus) of the \$10,000 contribution he made to the Maryland Republican State Central Committee ("MRSCC").

II. FACTUAL AND LEGAL ANALYSIS

The Federal Election Campaign Act of 1971, as amended ("the Act"), prohibits corporations from making contributions from their general treasury funds in connection with any election of any candidate for federal office. 2 U.S.C. § 441b(a). It is also unlawful for any officer or director of any corporation to consent to any contribution by the corporation. *Id.*

The Act also prohibits a person from making a contribution in the name of another person, and from knowingly permitting his name to be used to effect such a contribution. 2 U.S.C. § 441f. The Commission's regulations specifically explain that attributing a contribution to one person, when another person is the actual source of the funds used for the contribution, is an example of making a contribution in the name of another. See 11 C.F.R. § 110.4(b)(2)(ii).

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1 Stanley Meros is a Senior Vice President of St. John Properties, Inc., ("SJPI") a privately-
2 held real estate development company based in Maryland. SJPI Response at 4. During the 2006
3 election cycle, Edward St. John, president and principal owner of SJPI, recruited Stanley Meros
4 and other senior executives to make political contributions in support of Michael Steele's
5 campaign for U.S. Senate. SJPI Response at 6-7. SJPI's Controller, Lori H. Rice, routinely
6 monitored and recorded the political contributions of SJPI's senior executives and affiliated
7 companies to avoid exceeding state or federal contribution limits. Ms. Rice Affidavit ¶ 5.

8 In October 2006, Stanley Meros made a \$10,000 contribution to the MRSCC along with
9 other senior executives in response to Mr. St. John's requests. SJPI Response at 6-7. In
10 February 2007, Mr. St. John directed Ms. Rice, to include Stanley Meros's \$10,000 contribution
11 to MRSCC, as a factor in calculating his year-end bonus. The total bonus was then "grossed up"
12 to account for appropriate state and federal income taxes. Stanley Meros repaid to SJPI the
13 reimbursements of his \$10,000 MRSCC contribution in November 2007 during a pending
14 investigation by the Maryland State Prosecutor's Office regarding contributions SJPI-affiliated
15 companies made to Maryland state and local candidates. SJPI's Response at 9-10.

16 Stanley Meros was reimbursed ~~for~~ his \$10,000 contribution to MRSCC, and the available
17 information suggests that he expected the reimbursement.¹ While Stanley Meros and other
18 senior Vice Presidents contributors were prior political contributors, none had made a prior
19 federal contribution greater than \$2,000, with most ranging between \$250 and \$1,000.
20 Furthermore, the fact that the reimbursement was made several months after the contribution

¹ Stanley Meros and other senior Vice Presidents were also reimbursed with corporate funds for contributions they made to a state and a local candidate. In a civil settlement with Mr. St. John that was publicized in a press release on June 13, 2008, Maryland State Prosecutor's specifically concluded that the SJPI senior Vice President contributors fully expected reimbursement of their state campaign contributions.

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1 does not undermine that the contribution was, in fact, reimbursed.² Finally, that the
2 reimbursement was repaid to the company by Stanley Meros does not negate the violation,
3 particularly in this instance where the repayment was influenced by an impending state
4 investigation. Reversing the transaction is akin to returning an illegal contribution; while it does
5 constitute mitigating corrective action, it does not erase the violation.³ As a result of the
6 reimbursements, SJPI became the true source of Stanley Meros's MURSEC contribution, and
7 Stanley Meros knowingly permitted his name to be used to effect a contribution in the name of
8 another, in violation of section 441f of the Act.

9 Based on his corporate position, Stanley Meros is a senior officer of SJPI. Stanley Meros
10 also has a prior history of making political contributions. By accepting reimbursement from
11 SJPI for his \$10,000 contribution, Stanley Meros consented to the making of a corporate
12 contribution through the reimbursement in violation of 2 U.S.C. §§ 441b(a). See MUR 5818
13 (Fieger) (Commission found probable cause to believe that a partner who was
14 Secretary/Treasurer of a law firm violated §§ 441b(a) and 441f) Commission Certification dated
15 August 28, 2009; see also MUR 5765 (Crop Production Services, Inc.) (Commission found
16 reason to believe that a Vice President, three managers, and two of their spouses violated § 441f
17 as conduits, and conciliated with the Vice President and managers but took no further action
18 regarding the spouses).

² The Commission has previously found violations of 2 U.S.C. §§ 441b(a) and 441f where employees' contributions were later reimbursed through year-end company bonuses. See, e.g., MUR 5357 (Centex Corporation) Commission Certification dated September 12, 2003 (Commission found reason to believe and later conciliated violations in which the company and its CEO violated §§ 441b(a) and 441f where employees sent copies of contribution checks to company officers, and their contributions were reimbursed in year-end bonuses).

³ See, e.g., MUR 5643 (Carter's, Inc) Commission Certification dated January 25, 2005 (Commission found reason to believe as to corporation and corporate officer who reimbursed contributions with corporate funds though the conduits had repaid the reimbursements prior to the company filing a *sub* *sponse* submission); MUR 5357 (Centex Corporation) Commission Certification dated September 12, 2003 (same).

1 Therefore, there is reason to believe that Stanley Meros violated 2 U.S.C. §§ 441b(a) and
2 441f.⁴

⁴ On December 30, 2005, Stanley Meros also made a total of \$613 in the form of two contributions of \$312.50 in contributions to Steele for Maryland, Inc. that were attributed to him as a partner of two SJPI affiliates - Riverside Technology Park LLC and BWI Technology LLC. However, those contributions were made with funds from the respective partnerships and do not appear to have been reimbursed.

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FEDERAL ELECTION COMMISSION**FACTUAL AND LEGAL ANALYSIS****RESPONDENT: H. Richard Williamson****MUR: 6223****I. INTRODUCTION**

This matter was generated by a complaint filed by Melanie Sloan, Ann Weismann, and Citizens for Responsibility and Ethics in Washington. See 2 U.S.C. § 437(g)(a)(1). The available information indicates that H. Richard Williamson permitted his name to be used to make corporate contributions in the name of another and consented to the making of corporate contributions. Specifically, H. Richard Williamson received reimbursement (through his year end bonus) of the \$10,000 contribution he made to the Maryland Republican State Central Committee ("MRSCC").

II. FACTUAL AND LEGAL ANALYSIS

The Federal Election Campaign Act of 1971, as amended ("the Act"), prohibits corporations from making contributions from their general treasury funds in connection with any election of any candidate for federal office. 2 U.S.C. § 441b(a). It is also unlawful for any officer or director of any corporation to consent to any contribution by the corporation. *Id.*

The Act also prohibits a person from making a contribution in the name of another person, and from knowingly permitting his name to be used to effect such a contribution. 2 U.S.C. § 441f. The Commission's regulations specifically explain that attributing a contribution to one person, when another person is the actual source of the funds used for the contribution, is an example of making a contribution in the name of another. See 11 C.F.R. § 110.4(b)(2)(ii).

1 H. Richard Williamson is a Senior Vice President of St. John Properties, Inc., ("SJPI") a
2 privately-held real estate development company based in Maryland. SJPI Response at 4. During
3 the 2006 election cycle, Edward St. John, president and principal owner of SJPI, recruited
4 H. Richard Williamson and other senior executives to make political contributions in support of
5 Michael Steele's campaign for U.S. Senate. SJPI Response at 6-7. SJPI's Controller, Lori
6 H. Rice, routinely monitored and recorded the political contributions of SJPI's senior executives
7 and affiliated companies to avoid exceeding state or federal contribution limits. Ms. Rice
8 Affidavit ¶ 5.

9 In October 2006, H. Richard Williamson made a \$10,000 contribution to the MRSCC
10 along with other senior executives in response to Mr. St. John's requests. SJPI Response at 6-7.
11 In February 2007, Mr. St. John directed Ms. Rice, to include H. Richard Williamson's \$10,000
12 contribution to MRSCC, as a factor in calculating his year-end bonus. The total bonus was then
13 "grossed up" to account for appropriate state and federal income taxes. H. Richard Williamson
14 repaid to SJPI the reimbursements of his \$10,000 MRSCC contribution in November 2007
15 during a pending investigation by the Maryland State Prosecutor's Office regarding contributions
16 SJPI-affiliated companies made to Maryland state and local candidates. SJPI's Response at 9-
17 10.

18 H. Richard Williamson was reimbursed for his \$10,000 contribution to MRSCC, and the
19 available information suggests that he expected the reimbursement.¹ While H. Richard
20 Williamson and other senior Vice Presidents contributors were prior political contributors, none
21 had made a prior federal contribution greater than \$2,000, with most ranging between \$250 and

¹ H. Richard Williamson and other senior Vice Presidents were also reimbursed with corporate funds for contributions they made to a state and a local candidate. In a civil settlement with Mr. St. John that was publicized in a press release on June 13, 2008, Maryland State Prosecutor's specifically concluded that the SJPI senior Vice President contributors fully expected reimbursement of their state campaign contributions.

1 \$1,000. Furthermore, the fact that the reimbursement was made several months after the
2 contribution does not undermine that the contribution was, in fact, reimbursed.² Finally, that the
3 reimbursement was repaid to the company by H. Richard Williamson does not negate the
4 violation, particularly in this instance where the repayment was influenced by an impending state
5 investigation. Reversing the transaction is akin to returning an illegal contribution; while it does
6 constitute mitigating corrective action, it does not erase the violation.³ As a result of the
7 reimbursements, SJPI became the true source of H. Richard Williamson's MRESCC contribution,
8 and H. Richard Williamson knowingly permitted his name to be used to effect a contribution in
9 the name of another, in violation of section 441f of the Act.

10 Based on his corporate position, H. Richard Williamson is a senior officer of SJPI.
11 H. Richard Williamson also has a prior history of making political contributions. By accepting
12 reimbursement from SJPI for his \$10,000 contribution, H. Richard Williamson consented to the
13 making of a corporate contribution through the reimbursement in violation of 2 U.S.C.
14 §§ 441b(a). See MUR 5818 (Fieger) (Commission found probable cause to believe that a partner
15 who was Secretary/Treasurer of a law firm violated §§ 441b(a) and 441f) Commission
16 Certification dated August 26, 2009; see also MUR 5765 (Crop Production Services, Inc.)
17 (Commission found reason to believe that a Vice President, three managers, and two of their

² The Commission has previously found violations of 2 U.S.C. §§ 441b(a) and 441f where employees' contributions were later reimbursed through year-end company bonuses. See, e.g., MUR 5357 (Centex Corporation) Commission Certification dated September 12, 2003 (Commission found reason to believe and later conciliated violations in which the company and its CEO violated §§ 441b(a) and 441f where employees sent copies of contribution checks to company officers, and their contributions were reimbursed in year-end bonuses).

³ See, e.g., MUR 5643 (Carter's, Inc) Commission Certification dated January 25, 2006 (Commission found reason to believe as to corporation and corporate officer who reimbursed contributions with corporate funds through the conduits had repaid the reimbursements prior to the company filing a *see sponte* submission); MUR 5357 (Centex Corporation) Commission Certification dated September 12, 2003 (same).

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1 spouses violated § 441f as conduits, and conciliated with the Vice President and managers but
2 took no further action regarding the spouses).

3 Therefore, there is reason to believe that H. Richard Williamson violated 2 U.S.C.

4 §§ 441b(a) and 441f.⁴

⁴ On December 30, 2005, H. Richard Williamson also made a total of \$613 in the form of two contributions of \$312.50 in contributions to Steele for Maryland, Inc. that were attributed to him as a partner of two SJPI affiliates - Riverdale Technology Park LLC and BWI Technology LLC. However, those contributions were made with funds from the respective partnerships and do not appear to have been reimbursed.

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FEDERAL ELECTION COMMISSION**FACTUAL AND LEGAL ANALYSIS****RESPONDENT: Gerard Wit****MUR: 6223****I. INTRODUCTION**

This matter was generated by a complaint filed by Melanie Sloan, Ann Weismann, and Citizens for Responsibility and Ethics in Washington. *See* 2 U.S.C. § 437(g)(a)(1). The available information indicates that Gerard Wit permitted his name to be used to make corporate contributions in the name of another and consented to the making of corporate contributions. Specifically, Gerard Wit received reimbursement (through his year end bonus) of the \$10,000 contribution he made to the Maryland Republican State Central Committee ("MRSCC").

II. FACTUAL AND LEGAL ANALYSIS

The Federal Election Campaign Act of 1971, as amended ("the Act"), prohibits corporations from making contributions from their general treasury funds in connection with any election of any candidate for federal office. 2 U.S.C. § 441b(a). It is also unlawful for any officer or director of any corporation to consent to any contribution by the corporation. *Id.*

The Act also prohibits a person from making a contribution in the name of another person, and from knowingly permitting his name to be used to effect such a contribution. 2 U.S.C. § 441f. The Commission's regulations specifically explain that attributing a contribution to one person, when another person is the actual source of the funds used for the contribution, is an example of making a contribution in the name of another. *See* 11 C.F.R. § 110.4(b)(2)(ii).

Gerard Wit is a Senior Vice President of St. John Properties, Inc., ("SJPI") a privately-held real estate development company based in Maryland. SJPI Response at 4. During the 2006

1 election cycle, Edward St. John, president and principal owner of SJPI, recruited Gerard Wit and
2 other senior executives to make political contributions in support of Michael Steele's campaign
3 for U.S. Senate. SJPI Response at 6-7. SJPI's Controller, Lori H. Rice, routinely monitored and
4 recorded the political contributions of SJPI's senior executives and affiliated companies to avoid
5 exceeding state or federal contribution limits. Ms. Rice Affidavit ¶ 5.

6 In October 2006, Gerard Wit made a \$10,000 contribution to the MRSCC along with
7 other senior executives in response to Mr. St. John's requests. SJPI Response at 6-7. In
8 February 2007, Mr. St. John directed Ms. Rice, to include Gerard Wit's \$10,000 contribution to
9 MRSCC, as a factor in calculating his year-end bonus. The total bonus was then "grossed up" to
10 account for appropriate state and federal income taxes. Gerard Wit repaid to SJPI the
11 reimbursements of his \$10,000 MRSCC contribution in November 2007 during a pending
12 investigation by the Maryland State Prosecutor's Office regarding contributions SJPI-affiliated
13 companies made to Maryland state and local candidates. SJPI's Response at 9-10.

14 Gerard Wit was reimbursed for his \$10,000 contribution to MRSCC, and the available
15 information suggests that he expected the reimbursement.¹ While Gerard Wit and other senior
16 Vice Presidents contributors were prior political contributors, none had made a prior federal
17 contribution greater than \$2,000, with most ranging between \$250 and \$1,000. Furthermore, the
18 fact that the reimbursement was made several months after the contribution does not undermine

¹ Gerard Wit and other senior Vice Presidents were also reimbursed with corporate funds for contributions they made to a state and a local candidate. In a civil settlement with Mr. St. John that was publicized in a press release on June 13, 2008, Maryland State Prosecutor's specifically concluded that the SJPI senior Vice President contributors fully expected reimbursement of their state campaign contributions.

1 that the contribution was, in fact, reimbursed.² Finally, that the reimbursement was repaid to the
2 company by Gerard Wit does not negate the violation, particularly in this instance where the
3 repayment was influenced by an impending state investigation. Reversing the transaction is akin
4 to returning an illegal contribution; while it does constitute mitigating corrective action, it does
5 not erase the violation.³ As a result of the reimbursements, SJPI became the true source of
6 Gerard Wit's MRSCC contribution, and Gerard Wit knowingly permitted his name to be used to
7 effect a contribution in the name of another, in violation of section 441f of the Act.

8 Based on his corporate position, Gerard Wit is a senior officer of SJPI. Gerard Wit also
9 has a prior history of making political contributions. By accepting reimbursement from SJPI for
10 his \$10,000 contribution, Gerard Wit consented to the making of a corporate contribution
11 through the reimbursement in violation of 2 U.S.C. §§ 441b(a). See MUR 5818 (Fieger)
12 (Commission found probable cause to believe that a partner who was Secretary/Treasurer of a
13 law firm violated §§ 441b(a) and 441f) Commission Certification dated August 26, 2009; see
14 also MUR 5765 (Crop Production Services, Inc.) (Commission found reason to believe that a
15 Vice President, three managers, and two of their spouses violated § 441f as conduits, and
16 conciliated with the Vice President and managers but took no further action regarding the
17 spouses).

² The Commission has previously found violations of 2 U.S.C. §§ 441b(a) and 441f where employees' contributions were later reimbursed through year-end company bonuses. See, e.g., MUR 5357 (Centex Corporation) Commission Certification dated September 12, 2003 (Commission found reason to believe and later conciliated violations in which the company and its CEO violated §§ 441b(a) and 441f where employees sent copies of contribution checks to company officers, and their contributions were reimbursed in year-end bonuses).

³ See, e.g., MUR 5643 (Garter's, Inc) Commission Certification dated January 25, 2005 (Commission found reason to believe as to corporation and corporate officer who reimbursed contributions with corporate funds through the conduits had repaid the reimbursements prior to the company filing a *ma sponte* submission); MUR 5357 (Centex Corporation) Commission Certification dated September 12, 2003 (same).

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1 Therefore, there is reason to believe that Gerard Wit violated 2 U.S.C. §§ 441b(a) and
2 441f.⁴

⁴ On December 30, 2005, Gerard Wit also made a total of \$613 in the form of two contributions of \$312.50 in contributions to Steele for Maryland, Inc. that were attributed to him as a partner of two SJPI affiliates - Riverside Technology Park LLC and BWI Technology LLC. However, those contributions were made with funds from the respective partnerships and do not appear to have been reimbursed.

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